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(Original Signature of Member)

106TH CONGRESS
1ST SESSION

H. R. _____

IN THE HOUSE OF REPRESENTATIVES

Mr. LAFALCE introduced the following bill; which was referred to the
Committee on _____

A BILL

To amend the Truth in Lending Act to expand protections
for consumers by adjusting statutory exemptions and
civil penalties to reflect inflation, to eliminate the Rule
of 78s accounting for interest rebates in consumer credit
transactions, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Truth in Lending Mod-
5 ernization Act of 1999”.

1 **SEC. 2. APPLICABLE CONSUMER CREDIT AND LEASE**
2 **TRANSACTIONS.**

3 (a) CREDIT TRANSACTIONS.—Section 104(3) of the
4 Consumer Credit Protection Act (15 U.S.C. 1603(3)) is
5 amended by striking “\$25,000” and inserting “\$50,000”.

6 (b) LEASE TRANSACTIONS.—Section 181(1) of the
7 Consumer Credit Protection Act (15 U.S.C. 1667(1)) is
8 amended by striking “\$25,000” and inserting “\$50,000”.

9 **SEC. 3. CIVIL LIABILITY.**

10 (a) IN GENERAL.—Section 130(a)(2)(A) of the Con-
11 sumer Credit Protection Act (15 U.S.C. 1640(a)(2)(A))
12 is amended—

13 (1) in clause (ii)—

14 (A) by striking “\$100” and inserting
15 “\$200”; and

16 (B) by striking “\$1,000” and inserting
17 “\$5,000”; and

18 (2) in clause (iii), by striking “\$2,000” and in-
19 serting “\$5,000”.

20 (b) MAXIMUM AMOUNT.—Section 130(a)(2)(B) (15
21 U.S.C. 1640(a)(2)(B)) is amended by striking
22 “\$500,000” and inserting “\$1,000,000”.

23 **SEC. 4. USE OF RULE OF 78s PROHIBITED.**

24 Section 933(b) of the Housing and Community De-
25 velopment Act of 1992 (15 U.S.C. 1615(b)) is amended—

1 (1) by striking “of a term exceeding 61
2 months”; and

3 (2) by striking “September 30, 1993” and in-
4 serting “September 30, 1999”.

5 **SEC. 5. REGULATIONS.**

6 Before the end of the 6-month period beginning on
7 the date of the enactment of this Act, the Board of Gov-
8 ernors of the Federal Reserve System shall issue regula-
9 tions in final form to implement the amendments made
10 by this Act.